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Chairman: Mr. MacKay ..... (New Zealand)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

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The meeting was called to order at 2.45 p.m.

Agenda item 108: Programme budget for the biennium 2004-2005 (*continued*)

Strengthened and unified security management system for the United Nations (A/59/365 and Corr.1, Add.1 and Add.1/Corr.1; A/59/396 and A/59/539)

1. **The Secretary-General**, introducing his report on a strengthened and unified security management system for the United Nations (A/59/365 and Corr.1, Add.1 and Add.1/Corr.1) and his note transmitting the report of the Office of Internal Oversight Services on the utilization and management of funds appropriated during the 2002-2003 biennium for strengthening the security and safety of United Nations premises (A/59/396), said that he had no more important responsibility than to ensure the protection of his staff, talented and dedicated men and women who carried out vital missions of development and peace throughout the world, in always challenging and sometimes hostile circumstances. They needed and indeed deserved the best possible safety and security. He therefore welcomed the opportunity to present to the Committee his proposals for ensuring that in future the Member States and the Secretariat could work together more effectively and professionally to uphold that fundamental and even sacred responsibility.

2. The United Nations was facing a security environment of unprecedented risk. Where once most peacekeepers monitored relatively quiet ceasefire lines, now the typical operation was in a conflict zone or other volatile area, and often must contend with a collapsed society and, in some cases, non-State actors who had little or no respect for the rules of war. Humanitarian needs had also expanded, meaning that more of the Organization's relief and development personnel must venture further into more remote and potentially more hazardous territories.

3. After the August 2003 disaster in Baghdad, as well as many other tragic incidents, the United Nations was forced to acknowledge that it had become a target of political violence, challenging the long-held perception that it was protected by its flag and by its status as an impartial, benevolent actor. That very same phenomenon was having similarly major implications for the International Committee of the Red Cross, humanitarian non-governmental organizations (NGOs) and other traditional United Nations partners.

4. The deteriorating environment dated back to the early 1990s. Since then, the history of the Organization's international engagements had included a brutal procession of murder, rape, harassment and abductions inflicted on national and international staff alike, from Dili to Mogadishu, from Tblisi to San Salvador. Since 1992, 218 civilian staff and several hundred peacekeepers had lost their lives to malicious acts in the line of duty; many others had been grievously wounded, detained or were missing. Currently, the Organization was actively seeking the immediate and unconditional release of three international staff who had been taken hostage four days previously in Kabul.

5. That new security reality provided a compelling rationale for security reform. With the help and support of the General Assembly over the years, the Organization had been able to increase somewhat the number of staff devoted to security management and to take other steps to professionalize its security system. In 2000 and again in 2003, teams of independent experts had assessed that system, with the second evaluation having been finalized just days before the Baghdad bombing. The Ahtisaari report on the bombing itself graphically exposed the weaknesses of the Organization's security system.

6. All the studies had identified the same shortcomings in the Organization's security management system — primarily its fragmentation and its severe shortage of resources. And all agreed that those and other problems and flaws were not specific to any one country but, rather, were systemic, with implications for the global conduct of the work of the United Nations. The message of those exhaustive reviews was clear: with or without Baghdad, the Organization's security system was inadequate to meet all the new threats that now had to be faced. The Organization had an extraordinary number of people to protect: 100,000 international and national staff, plus 300,000 of their family members and dependants, serving the world at more than 140 field locations and Headquarters duty stations. The staff had both a keenly felt duty to reach people in troubled areas and a commitment to carrying out the mandates entrusted to them by Member States. Security was not a privilege or a luxury, not an afterthought or a burden, but rather an essential condition for doing that job.

7. The plan he had put before the Committee addressed all the shortcomings of the current arrangements. Every organization in the United Nations system strongly supported it, as did the Federation of International Civil Servants' Associations (FICSA). Above all, it built the security system which the Organization needed for the future: unified, professional, robust, and capable of meeting the demands placed upon it. The current system was terribly fragmented, with disparate security entities and offices both at Headquarters and in the field. His proposal aimed to create a single, integrated security management system.

8. The proposed Directorate of Security was designed to ensure that the Organization's security system had clear procedures and lines of accountability, so that managers were adequately supported and could acquit themselves of their responsibilities. It was also designed to ensure that the United Nations was organized and staffed to provide expert, reliable threat and risk analysis, which was fundamental to security, especially in volatile, constantly changing circumstances. He had been encouraged when, in June 2003, the General Assembly had recognized in its resolution on security needs that professional capacity in that area must be strengthened. It was designed to ensure, moreover, that field operations were adequately supported. The Organization could no longer accept a situation where 33 countries lacked a resident field security officer, and where, in a further 18 countries, the current complement of security officers could not provide the necessary coverage. Furthermore, it was designed to ensure that the Organization had the means and capacity to ensure compliance, through rigorous inspection regimes, human resources management, and other measures. Finally, it was designed to develop a strong cadre of professional security experts. The Organization currently had many very good people. Its aim was to build on that expertise, with training and career development that would serve the Organization over the long term. Staff at large should also be part of that training.

9. The Committee would not be surprised that such a sizeable package came with a price. Given the mandates entrusted to the Organization by Member States, the need to improve its physical and technical infrastructure, and the intensive training and career development that was necessary, it remained grossly under-funded, even with the extra support the Assembly had already provided. He would have been only too happy if the United Nations had been able to make do with existing resources or only modest increases. The inescapable fact, however, was that it needed more resources. It needed them immediately and it needed them to be sustained over time. Compared with the total amount spent by the United Nations system on programmes, the $97 million requested was relatively modest. It should not be thought of as separate from programmes, but as an essential condition for them, since without adequate security the Organization could not be effective in its development and humanitarian work in much of the world and in many of the difficult places in which it operated.

10. An essential feature of his proposal was that the United Nations should do away with the cost-sharing arrangements that had funded field security operations in the past. Cost-sharing was administratively cumbersome and left critical security needs dangerously dependent on the voluntarily funded budgets of agencies, programmes and funds, meaning that funding was not predictable. In short, cost-sharing was inappropriate for what was a core responsibility, and even a prerequisite, for United Nations operations. Security of all staff was an essential component of any work done by the Organization. As such, it must be part of its core budget.

11. It was time for the Committee to take resolute and unstinting action. United Nations staff were saying so. Exhaustive, authoritative reviews of the Organization's security system, including the Ahtisaari report, had reached the same conclusion. The security system must be fixed and updated. He urged the members of the Committee to remember what was at stake: people throughout the world, including many of their own citizens, were crying out for the United Nations to come to their aid during moments of crisis — in Darfur, or in other places far from the media spotlight — or simply to accompany them in their day-to-day struggle for dignity. The Member States, with mandates handed down by the General Assembly, Security Council and other organs, also expected the Organization to go where people were suffering or in need.

12. The men and women who served the United Nations heard those cries for help and were eager to answer them. That was the vocation they had chosen.

But to be effective, to be accessible, to avoid a fortress mentality, to get out there and serve, they needed security. The Organization could no longer rely on fragmented security structures, or on a small group of overextended security advisers who tried valiantly to cope and keep up. In a new security environment, it needed a new way of doing business.

13. He wished to thank the Committee for understanding that challenge and for backing the Organization's initial response. He urged it to continue supporting that path of change, to help the United Nations reach the next level of service and to understand that security for the staff must be his first priority. He considered his current proposal to be one of the most important — if not the most important — that he had put before the Member States during his time as Secretary-General. He had no doubt that, working together, the people of the world would reap a high return on that essential investment.

14. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on a strengthened and unified security management system for the United Nations (A/59/539), said that the Advisory Committee had discussed the report of the Secretary-General (A/59/365 and Corr.1, Add.1 and Add.1/Corr.1) extensively, not seeking savings in what was an area of vital concern, but rather making recommendations and suggestions to further refine the concepts which had been proposed.

15. In the view of the Advisory Committee, the new system should be field-oriented, with a streamlined central capacity at Headquarters, so it had recommended in some cases that assets should be reassigned. If the General Assembly accepted the recommendations, there would be much work to do. It was therefore important for an implementation report to be prepared for submission to the General Assembly at its sixtieth session. Some of the measures recommended could be monitored, adjusted or reconsidered in the light of that report.

16. Host-country agreements, in the form of legally binding documents, must be concluded and/or updated. Despite the proposed unified security structure, separate security structures would continue to exist, with potential for duplication and possibly dangerous confusion. Establishing coordination and liaison units might not be enough: every duty station must have an integrated team to respond to its particular security needs. There must be genuine collaboration and a clear line of authority, reflected in the accountability and responsibility framework.

17. The Advisory Committee still maintained its view that there must be common ownership of the system, with the right to participate in decision-making. Cost-sharing must therefore be retained; if it were not, the money saved might be used to continue and/or expand separate security systems. If all participants felt they had an effective voice, most, if not all, of the practical problems of cost-sharing would be more easily solved.

18. The Advisory Committee supported the establishment of a post of Under-Secretary-General to head the proposed Directorate of Security. The individual appointed must be a security expert with extensive professional experience in the organization and management of a complex international security function. The official must also be fully capable of providing direct operational leadership. However, the Advisory Committee did not favour maintaining the existing Assistant Secretary-General post of security coordinator, since that would create an intermediate layer of responsibility. If a need emerged for the Under-Secretary-General to have a deputy at Assistant Secretary-General level, such a proposal could be made in the implementation report called for by the Advisory Committee.

19. While welcoming the establishment of an implementation management team and a core capacity at Headquarters for overall matters such as policy planning and coordination, compliance, evaluation and monitoring, and training and standardization, the Advisory Committee saw no need for the Directorate of Security to replicate existing Secretariat-wide administrative support units, preferring to see an Executive Office established instead to provide the traditional support to the proposed Directorate. Similarly, rather than have a Division of Regional Operations with five desks at Headquarters, the Advisory Committee favoured a lean central capacity at Headquarters with field-based officers fulfilling the desk-officer function. Field-based officers would be able to receive information close to its source and would be well placed to respond to emergencies. It also wished to encourage close collaboration with the desks of the Department of Political Affairs and the Department of Peacekeeping Operations.

20. The Advisory Committee took note of the large proposed increase in posts for the security and safety services in New York and other main United Nations locations and recommended that the head of the Division of Security and Safety Services in New York should not be appointed at the D-2 level, that the grade levels and assignment pattern of the other proposed posts should be re-examined and that the results should be included in the implementation report. It also noted the approximately $85 million of potential expenditure on projects for compliance with headquarters minimum operating security standards (H-MOSS) and requested the Secretary-General to submit for the consideration of the General Assembly a detailed blueprint of the access-control system and a justification of the costs involved. Pending consideration of that report, no funds would be appropriated, but the Secretary-General would be authorized to enter into commitments of no more than $11.2 million for planning and initial work. The Advisory Committee was furthermore not convinced that the large increase in the commitment authority to be given to the Secretary-General was currently warranted, recommending instead that the upper limit should be doubled to $1 million as an interim measure and reviewed when the Secretary-General submitted the implementation report.

21. The Advisory Committee was keenly aware of the importance of a well structured and effective response to the rapidly changing security environment which the United Nations faced, and had therefore not approached the matter with a view to recommending cuts or minimizing expenditure. It hoped that its recommendations would build on the Secretary-General's existing proposals and help to achieve an efficient and dependable security system.

22. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) on the utilization and management of funds appropriated during the 2002-2003 biennium for strengthening the security and safety of United Nations premises (A/59/396), said that the Office's audit had focused on the implementation of proposals contained in the report of the Secretary-General on strengthening the security and safety of United Nations premises (A/56/848) with the objective of determining whether the resources provided had been utilized as intended and managed efficiently and effectively in compliance with established procedures. The audit had shown that by December 2003, $27.3 million, or just over 47 per cent of the estimated expenditures, had been spent. By 31 May 2004, expenditures had increased to $48.6 million. The initial low utilization rate had been due primarily to the time taken to finalize the main construction contract. Projects for Headquarters with an estimated cost of $20.7 million were now expected to cost more than $34.5 million. There would be further cost escalations if the Office of Central Support Services proceeded with the proposed changes in specifications. The guarantees provided by the contractor regarding the main construction contract were significantly lower than the Organization's normal requirements and industry standards.

23. As of 31 May 2004, about $9.6 million (62 per cent) of the $15.5 million appropriated for the United Nations Office at Geneva had not been utilized, mainly because of the need to redesign projects in the light of the increased level of threat to the United Nations. The overall cost was now estimated at nearly $31 million. The project management capacity needed to be strengthened by the appointment of a project manager. The steering committee established to oversee the security projects must be revitalized. And a market survey should have been conducted to ensure that the total fees payable were still competitive. The Office would continue to monitor the implementation of the 10 recommendations issued as a result of the audit, which had been generally accepted by management.

Agenda item 118: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (A/59/359 and A/59/785)

24. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (A/59/359), said that section I of the report contained statistics on the quantitative impact of the OIOS recommendations. During the previous 12 months, the Office had issued 1,515 recommendations, about 40 per cent fewer than in the preceding 12-month period. The decrease was due mainly to the inclusion of only the more significant and specific recommendations in the oversight reports. There had been no change in the extent of oversight activities.

25. As of August 2004, over 52 per cent of all recommendations had been implemented, some 36 per cent of them having been classified as critical to the Organization. The savings in 2004 totalled $26.6

million, including recoveries and reduced expenditures resulting from recommendations made in earlier years. The new recommendations issued during the reporting period could produce savings and recoveries estimated at $16.4 million. Information on critical recommendations issued before July 2003 but not implemented as of 30 June 2004 was contained in annex II to the report.

26. Section II of the report was organized around the portfolio of high-risk areas that had been identified by the Office for 2004. The findings were the outcome of the various activities that had been undertaken to mitigate such risks. Section II also highlighted those recommendations that had far-reaching implications for the Organization. The Office would continue its practice of identifying the areas of highest risk, an approach which could be used in collaboration with Member States and other oversight bodies with a view to establishing an order of priority among oversight assignments. Two examples of that approach were the horizontal assessment of field security procedures in 14 peacekeeping and 6 political and peacebuilding missions and the audit of the utilization and management of the funds appropriated in 2002-2003 for implementing measures to strengthen the security and safety of United nations premises.

27. The Office was always seeking to maximize its impact on the Organization in partnership with Member States and managers at all levels. Its activities addressed administrative bottlenecks and points of vulnerability and it also undertook broader assessments of programmes, as mandated by the Committee for Programme and Coordination.

28. In his note transmitting the report, the Secretary-General requested the General Assembly to consider initiating a comprehensive review of OIOS operations. The review conducted in the Office's fifth year had been very helpful and a new review, in its tenth year, would be even more important. However, due care should be taken to ensure the independence of the review, which should preferably be conducted by an entity reporting directly to an intergovernmental body, such as the Board of Auditors.

29. **Mr. Park** Yoon-june (Republic of Korea) commended the Under-Secretary-General and his team for making the United Nations more efficient, effective and accountable. No stakeholder could treat OIOS findings or recommendations lightly. Even the savings of $26.6 million achieved by implementing just half of the recommendations understated the benefit that the Office brought to the United Nations in terms of structural improvement.

30. The surge in peacekeeping operations in 2004 had implications for the Office, for by their nature such operations were more vulnerable to mismanagement and fraud. It would therefore be in the Organization's interest for the Office to devote more attention to peacekeeping operations. It should focus on enhancing cooperation among neighbouring missions and the more systematic transmittal of lessons learned from mission to mission. The Department of Peacekeeping Operations should fully implement the OIOS recommendations.

31. With regard to the allegations of corruption in the United Nations Office on Drugs and Crime, mentioned in paragraph 91 of the report, his delegation would like to know how OIOS planned to nurture an atmosphere conducive to whistle-blowing, particularly when senior officials were involved. The matter of whistle-blowing was just one example of how vital it was to preserve the Office's independence. His delegation therefore supported the proposals contained in paragraph 129, in particular the delegation to the Office of authority to propose and manage its own financial and human resources.

32. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services on its audit of the regional commissions (A/58/785), said that the report focused on critical programmatic issues common to the regional commissions and the discussion of those issues in the Economic and Social Council. The Office's findings were set out in section II of the report.

33. The Office had made nine recommendations on whether the Economic and Social Commission for Western Asia and the Economic Commission for Africa needed a separate statistics division.

34. The comments of all the regional commissions and their New York Office had been incorporated in the report and the Secretary-General had concurred with all of the recommendations of OIOS.

The meeting rose at 3.40 p.m.